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IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION THREE

R & R CONSTRUCTION, INC.,	B293748
Plaintiff and Respondent,	Los Angeles County
v.	Super. Ct. No. EC063446
REON ROSKI,	
Defendant and Appellant.	

APPEAL from an order of the Superior Court of Los Angeles County. William D. Stewart, Judge. Reversed with directions.

Allen Matkins Leck Gamble Mallory & Natsis, Marshall C. Wallace and Stacey A. Villagomez for Defendant and Appellant.

Cummins & White, Larry M. Arnold and Margaret R. Miglietta for Plaintiff and Respondent.

INTRODUCTION

In a dispute between homeowner Reon Roski (Roski) and contractor R & R Construction, Inc. (R & R) over renovations to Roski's house, the trial court granted R & R's petition to vacate the arbitrator's award in favor of Roski (Code Civ. Proc., § 1286.2).¹ The court found the arbitrator failed to disclose to the parties that he had been involved in a dispute with his pool contractor before the Contractors' State License Board (CSLB), and a reasonable person "would raise questions or doubts about an arbitrator's possible bias on the issues surrounding homeowner-contractor disputes." Roski appeals.

We conclude that a person aware that the arbitrator had a single dispute with a different contractor nearly 20 years earlier could not reasonably believe the arbitrator developed a categorical bias against all contractors. We therefore reverse the order vacating the arbitration award and direct the court to enter a new order granting Roski's motion to confirm the award.

FACTS AND PROCEDURAL BACKGROUND

1. Arbitration Proceedings

In 2012, Roski contracted with R & R, a licensed contractor, to remodel and construct an addition to her single-family house in Toluca Lake, California. The parties' agreement required arbitration of disputes in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association (AAA). By July 2013, Roski had paid R & R \$486,306.

¹ All unspecified statutory references are to the Code of Civil Procedure.

Believing there were numerous defects in R & R's work, Roski refused to pay the final installment under the agreement. In October 2013, R & R stopped working on the project because Roski had not paid the final bill.

In December 2014, R & R sued Roski for breach of contract and other claims in Los Angeles Superior Court, seeking over \$147,109 plus attorneys' fees and costs. The parties submitted their dispute to binding arbitration and the lawsuit was stayed. After the parties eliminated two candidates, in January 2016 AAA designated retired Los Angeles Superior Court Judge Lawrence Crispo as the arbitrator.

AAA provided Crispo with the CA Arbitrator Oath Form, which instructed that "[i]t is most important that the parties have complete confidence in the arbitrator's impartiality." In addition to requiring the arbitrator to disclose relationships with parties, counsel, and witnesses, the form cautioned: "California Code of Civil Procedure section § 1281.9 (which incorporates CCP § 170.1 and the Ethics Standards for Neutral Arbitrators adopted by the California Judicial Council) and CCP § 1281.95 require certain disclosures by a person nominated or appointed as an arbitrator. ... [T]he ultimate obligation for compliance with any statutory requirements, Rules and/or Ethics Standards lies with the neutral." The form also stated in section "II. Disclosures Common to All Arbitrators," that "Should the answer to any of the following questions be 'Yes,' or if you are aware of any other information that may lead to a justifiable doubt as to your impartiality or independence or create an appearance of partiality, then describe the nature of the potential conflict(s) in the space provided."

Relevant here, Crispo answered “No” to the following questions: “23. Are you aware of any other matter that might cause a person aware of the facts to reasonably entertain a doubt that you would be able to be impartial?” and “24. Are you aware of any other matter that leads you to believe there is a substantial doubt as to your capacity to be impartial, including, but not limited to, bias or prejudice toward a party, lawyer, or law firm in the arbitration?” Crispo signed the Arbitrator’s Oath attesting that he “diligently conducted a conflicts check, including a thorough review of the information provided to [him] about this case,” and that he disclosed the information required of him. He also attested to his understanding that he had a continuing obligation to check for conflicts and make disclosures during his service on the case, and that failure to make appropriate and timely disclosures could result in his removal as arbitrator from the case.

1.1. Interim Award

The arbitration hearing began in September 2016 and continued over eight nonconsecutive days through March 2017. Crispo issued an interim award in July 2017, finding that Roski complied with her obligations under the contract but that R & R breached the contract and was negligent in its performance. R & R unsuccessfully sought clarification and modification of the interim award.

1.2. Crispo’s Dispute with a Pool Contractor

At some point after receiving Crispo’s interim award, R & R became aware of a proceeding before CSLB involving Crispo and

a pool contractor.² In early September 2017, attorneys for R & R obtained what remained of the file from CSLB.

According to CSLB's file, in January 1998 Crispo entered into a written contract with Robert Rush and Leslie Rush doing business as Arcadia Pool Construction, Inc. (collectively, the pool contractor) to construct a swimming pool and spa in the backyard of Crispo's Pasadena home for \$37,000. By the time the pool contractor completed its work in March 1998, Crispo had paid a total of \$35,800 toward the contract price. Thereafter, Crispo believed certain items, including the pool waterfall and spillway between the spa and pool, had been improperly completed.

At the pool contractor's suggestion, Crispo filed a complaint with CSLB in September 1998. CSLB-sponsored arbitration is free, fast, and provides "an informal setting to resolve a dispute." In October 1998, CSLB retained an industry expert to inspect the pool. The expert substantiated each of Crispo's claimed defects and opined that the pool contractor had departed from accepted trade standards in a material respect and estimated the total cost of correction at \$12,550.

In October 1999, Laurence A. Chafe, in his official capacity as Assistant Regional Deputy of CSLB's Department of Consumer Affairs, filed an accusation with CSLB's Registrar of Contractors, Department of Consumer Affairs (the disciplinary action). The disciplinary action sought to revoke or suspend the pool contractor's license based on allegations of conspiracy to violate the Contractors' State License Law, departure from

² Crispo's wife, Dinah Crispo, was also involved in the CSLB proceeding.

accepted trade standards, and excessive down payment and fraud, among other violations.

Crispo and the pool contractor settled all their issues except for the amount to be paid by the pool contractor as restitution. They submitted the restitution question to the administrative law judge in the disciplinary action. Although Chafe and the pool contractor were the named parties in the disciplinary action, by stipulation, Crispo was permitted to participate in the proceeding in the capacity of a party.

The disciplinary action was heard in late 2000 and “conducted in a very informal manner.” On December 1, 2000, the administrative law judge ordered the pool contractor to pay Crispo \$17,750 in restitution.³

With CSLB’s file in hand, R & R wrote to AAA on October 17, 2017, seeking Crispo’s removal from its arbitration with Roski and listing as one of the reasons Crispo’s failure to disclose his dispute with the pool contractor. On October 31, 2017, AAA reaffirmed the appointment of Crispo as the arbitrator of the parties’ dispute. R & R’s request for reconsideration was denied by AAA on January 17, 2018.

³ In a footnote in his 20-page award, the administrative law judge noted that Crispo had introduced documents which the pool contractor had not seen before, and that Crispo had taken the position—unsupported by authority—that he was exempt from all discovery requirements, notwithstanding that he was allowed to participate in the proceeding as a party. The administrative law judge deemed Crispo’s position “to have been taken in bad faith and in direct contravention of the settlement agreement. Nonetheless, given the informal nature of the arbitration proceeding” and lack of prejudice to the pool contractor, the administrative law judge “accepted the documents and gave them the appropriate amount of weight[.]”

1.3. Final Award

Crispo issued his final award in May 2018. He found in favor of Roski and ordered R & R to pay her \$265,036.40 in damages, \$589,967.50 in attorney's fees and costs, plus \$60,005 for the fees and expenses of the arbitration. Crispo "compliment[ed] counsel on their effective and professional representation on behalf of their clients."

2. Trial Court Proceedings

Roski moved to confirm the arbitration award and R & R petitioned to vacate it, arguing that Crispo failed to disclose his involvement in the disciplinary action against his pool contractor.

The court denied Roski's motion to confirm the award and granted R & R's petition to vacate the award. The court found that the contractor had carried its burden to show that Crispo's prior complaint with CSLB " 'reveals facts which might create an impression of possible bias in the eyes of the hypothetical, reasonable person,' " "not because of the dispute itself, but because of the extraordinary proceedings before the CSLB." The court also found that by omitting the prior dispute with the pool contractor, Crispo failed to apprise the parties of this potential for bias.⁴

⁴ The court rejected R & R's contentions that Crispo should have also disclosed a professional relationship with one of the partners at defense counsel's law firm and his personal relationship with Roski's family. In addition, the court rejected R & R's contentions that the award was uncertain, that Crispo destroyed evidence, and that Crispo refused to hear material evidence. The parties do not challenge these findings on appeal.

The court rejected Roski's argument that Crispo was not required to disclose the dispute, stating that sections 1281.9 and 1286.2 require neutral arbitrators to examine their life experiences as a part of the determination whether they are aware of facts that might create an impression of possible bias. Acknowledging that disputes against contractors are "so commonplace in the general population as to be unworthy of mention or disclosure," the court saw a "vast difference and massive distinction" between on the one hand, a mundane construction dispute, and on the other hand, Crispo's proceeding that invoked the "awesome power of the State" to "satisfy the claimant's purposes, whether by way of punishment of a wrongdoing contractor or by way of compensation for the homeowner[.]" Therefore, the court concluded that a reasonable person would find that bias could exist in these circumstances, despite the court's "knowledge of the total lack of bias and impeccable reputation of this particular arbitrator."

Roski timely appealed.

DISCUSSION

Roski has raised numerous issues challenging the court's order vacating the arbitration award. Because we hold that a person aware that Crispo had a single dispute with a different contractor nearly 20 years earlier could not reasonably believe he developed a categorical bias against all contractors, we do not reach Roski's other issues.

1. Legal Background and Standard of Review

"The California Arbitration Act (§ 1280 et seq.) 'represents a comprehensive statutory scheme regulating private arbitration in this state.' [Citation.] The statutory scheme reflects a 'strong

public policy in favor of arbitration as a speedy and relatively inexpensive means of dispute resolution.’ [Citation.] ‘[I]t is the general rule that parties to a private arbitration impliedly agree that the arbitrator’s decision will be both binding and final.’ ” (*Haworth v. Superior Court* (2010) 50 Cal.4th 372, 380 (*Haworth*).)

“Pursuant to Code of Civil Procedure section 1285, any party to an arbitration in which an award has been made may petition the court to ‘confirm, correct or vacate the award.’ Once a petition to confirm an award is filed, the superior court must select one of only four courses of action: It may confirm the award, correct and confirm it, vacate it, or dismiss the petition. [Citation.] ‘[I]t is the general rule that, with narrow exceptions, an arbitrator’s decision cannot be reviewed for errors of fact or law.’ (*Moncharsh v. Heily & Blase* (1992) 3 Cal.4th 1, 11.) Under section 1286.2, the court may vacate the award only under ‘ “very limited circumstances.” ’ [Citation.] Neither the trial court, nor the appellate court, may ‘review the merits of the dispute, the sufficiency of the evidence, or the arbitrator’s reasoning, nor may we correct or review an award because of an arbitrator’s legal or factual error, even if it appears on the award’s face. Instead, we restrict our review to whether the award should be vacated under the grounds listed in section 1286.2. [Citations.]’ ” (*EHM Productions, Inc. v. Starline Tours of Hollywood, Inc.* (2018) 21 Cal.App.5th 1058, 1063–1064, fn. omitted.)

As pertinent here, section 1286.2, subdivision (a), provides that “the court shall vacate the award if the court determines any of the following: [¶] ... [¶] (6) An Arbitrator making the award ... (B) was subject to disqualification upon grounds specified in

Section 1281.91 but failed upon receipt of timely demand to disqualify himself or herself as required by that provision.”

Section 1281.91, subdivision (a) provides for arbitrator disqualification if he or she fails to comply with section 1281.9. In turn, section 1281.9 requires arbitrators to disclose “all matters that could cause a person aware of the facts to reasonably entertain a doubt that the proposed neutral arbitrator would be able to be impartial[.]” Section 1281.9 sets forth a list of matters to be disclosed (*Dornbirer v. Kaiser Foundation Health Plan, Inc.* (2008) 166 Cal.App.4th 831, 836), and includes, as stated in the CA Arbitrator Oath Form, “[t]he existence of any ground specified in Section 170.1 for disqualification of a judge,” and “matters required to be disclosed by the ethics standards for neutral arbitrators adopted by the Judicial Council pursuant to this chapter.” (§ 1281.9, subd. (a)(1), (2)). Section 170.1 mandates disqualification when “[a] person aware of the facts might reasonably entertain a doubt that the judge would be able to be impartial.” (§ 170.1, subd. (a)(6)(A)(iii).)

The ethics standards for neutral arbitrators direct arbitrators to disclose, among other things, “all matters that could cause a person aware of the facts to reasonably entertain a doubt that the arbitrator would be able to be impartial, including but not limited to, [¶] ... [¶] (15) Any other matter that: [¶] (A) Might cause a person aware of the facts to reasonably entertain a doubt that the arbitrator would be able to be impartial[.]” (Cal. Ethics Stds. for Neutral Arbitrators in Contractual Arbitration, std. 7(d)(15)(A).)

Sections 1281.9 and 170.1, together with the ethics standards for neutral arbitrators, require arbitrators to make comprehensive disclosures. (See *Ovitz v. Schulman* (2005) 133

Cal.App.4th 830, 838.) These “arbitrator disclosure rules are strict and unforgiving. And for good reason. Although dispute resolution provider organizations may be in the business of justice, they are still in business. The public deserves and needs to know that the system of private justice that has taken over large portions of California law produces fair and just results from neutral decision makers.” (*Honeycutt v. JPMorgan Chase Bank., N.A.* (2018) 25 Cal.App.5th 909, 931.)

When the facts are not in dispute, the question whether an arbitrator was required to disclose information involves the application of the disclosure rules to the undisputed facts. Our review of this mixed question of law and fact is de novo. (*Haworth, supra*, 50 Cal.4th at pp. 384–385.)

2. R & R did not show that Crispo should have disclosed his dispute with the pool contractor.

In *Haworth*, our Supreme Court considered whether a former judge, serving as an arbitrator, was required to disclose that 10 years earlier he had been publicly censured based on his statements to court employees. The high court applied the test that an arbitrator must disclose “all matters that could cause a person aware of the facts to reasonably entertain a doubt that the proposed neutral arbitrator would be able to be impartial[.]” (§ 1281.9, subd. (a).) Then, borrowing from discussions of judicial ethics, *Haworth* explained arbitral impartiality as follows: “‘Impartiality’ entails the ‘absence of bias or prejudice in favor of, or against, particular parties or classes of parties, as well as maintenance of an open mind.’ (ABA Model Code Jud. Conduct (2007), Terminology, p. 4.) In the context of judicial recusal, ‘[p]otential bias and prejudice must clearly be established by an objective standard.’ [Citations.] ‘Judges, like all human beings,

have widely varying experiences and backgrounds. Except perhaps in extreme circumstances, those not directly related to the case or the parties do not disqualify them.’ [Citation.]” (*Haworth, supra*, 50 Cal.4th at p. 389.)

As relevant here, the court further explained, “ ‘The “reasonable person” is not someone who is “hypersensitive or unduly suspicious,” but rather is a “well-informed, thoughtful observer.” ’ [Citation.] ‘[T]he partisan litigant emotionally involved in the controversy underlying the lawsuit is not the *disinterested objective observer* whose doubts concerning the judge’s impartiality provide the governing standard.’ [Citations.]” (*Haworth, supra*, 50 Cal.4th at p. 389.)

Applying that standard, we conclude the court erred by finding that Crispo’s nondisclosure of his dispute with his pool contractor required vacating the arbitration award.

First, Crispo’s dispute with his pool contractor is too remote temporally to suggest to a reasonable person that Crispo was biased against all contractors. As noted, at the pool contractor’s suggestion, Crispo filed his complaint with CSLB in 1998, and the disciplinary action was resolved in 2000. Crispo, however, was not selected as the arbitrator in this case until 2016, and he did not issue the interim award until 2017. (See Rothman et al., Cal. Judicial Conduct Handbook (4th ed. 2017) § 7:36, pp. 442–443 [“It is important to emphasize the word ‘reasonably’ in order to avoid frivolous conclusions and being set adrift on a sea of uncertainty. For example, if the event were recent or ongoing, there is a greater need to consider recusal.”].)

Second, the facts underlying Crispo’s dispute with his pool contractor, and the facts underlying the dispute between Roski and R & R, are not similar beyond the bare fact that both

involved disputes with contractors. No defective pool or spa was at issue in the Roski arbitration, and there is no indication in the record that any proceeding was brought before CSLB by Roski or anyone else. R & R's contention that the facts in both arbitrations are "uncannily similar" is not persuasive. The similarities pointed out by R & R are common features of most construction disputes.

Third, that Crispo may have triggered CSLB's accusation against the pool contractor did not elevate the mundane nature of the dispute between Crispo and the contractor. After all, CSLB is "charged by law with the duty of investigating the actions of any contractor within the state and of taking disciplinary action against any such contractor should its investigation disclose reason to believe that the contractor has committed any acts which, under the provisions of the statute, are made grounds for disciplinary action." (*Contractors' State License Board v. Superior Court of Los Angeles County* (1960) 187 Cal.App.2d 557, 560.) And, in any event, CSLB's accusation against the pool contractor was also resolved in 2000 by a stipulated settlement that stayed revocation of the pool contractor's licenses.

Certainly, we are mindful that "[t]here are many reasons why a party might, reasonably or unreasonably, prefer not to have a particular arbitrator hear his or her case—including the arbitrator's prior experience, competence, and attitudes and viewpoints on a variety of matters." (*Haworth, supra*, 50 Cal.4th at p. 393.) We are also mindful that there are situations where an arbitrator's private dispute with a contractor could be a relevant factor in the appearance-of-bias analysis. "The disclosure requirements, however, are intended only to ensure the impartiality of the neutral arbitrator. [Citation.] They are not intended to mandate disclosure of all matters that a party might

wish to consider in deciding whether to oppose or accept the selection of an arbitrator.” (*Ibid.*)

DISPOSITION

The order is reversed. The court shall enter a new order granting Roski’s motion to affirm the arbitration award. Roski shall recover her costs on appeal.

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LAVIN, J.

I CONCUR:

EDMON, P. J.

DHANIDINA, J., Dissenting:

The statutes and ethical standards require disclosure of “*all matters that could* cause a person aware of the facts to reasonably *entertain a doubt* that the proposed neutral arbitrator would be able to be impartial.” (Code Civ. Proc.,¹ § 1281.9, subd. (a), italics added; see Cal. Ethics Stds. for Neutral Arbitrators in Contractual Arbitration, Std. 7(d)(15)(A).) In view of this appropriately broad standard, I respectfully dissent. I agree with the trial court that the fact that retired Judge Lawrence Crispo had a dispute with his contractor over the installation of a pool at his home and that he participated as a party in the State’s ensuing disciplinary action against that contractor *could* cause a disinterested objective observer to *question* Judge Crispo’s ability to be a neutral arbitrator in a homeowner’s lawsuit against a contractor over home renovations.

The majority opinion is based on three conclusions, namely that Judge Crispo’s dispute with his pool contractor in 2000 is not similar to the case before us, was mundane, and was too remote in time “to suggest to a reasonable person that [Judge] Crispo was biased against *all* contractors.” (Maj. opn. *ante*, at p. 13, italics added.) My departure from the majority’s reasoning stems from my reading of the statute’s choice of words which uses “entertain a doubt” instead of “believe.” (§ 1281.9, subd. (a).) The result of this word choice is significant because it means that even if the facts at issue could cause all reasonable people ultimately to conclude that the arbitrator is unbiased, those facts

¹ All further statutory references are to the Code of Civil Procedure.

would still have to be disclosed as long as a reasonable person among them could simply entertain a doubt about the issue of bias before reaching that conclusion. In other words, under the plain language of the statute, the question is not whether a reasonable person aware of the facts could believe that Judge Crispo was actually biased, but whether a person aware of his legal dispute with his own contractor and his participation in a subsequent disciplinary action *could reasonably entertain a doubt* about his ability to be impartial. I further disagree with the three underlying premises in the majority opinion.

Pertinent to an evaluation of whether a person aware of the facts could reasonably question whether Judge Crispo would be able to be unbiased (see § 1281.9, subd. (a)), are the similarities between Judge Crispo's dispute with his pool contractor on the one hand, and Reon Roski's dispute with her home-renovation contractor here, on the other hand. Just as in this lawsuit, Judge Crispo and his wife were homeowners embroiled in a dispute with their contractor over work the contractor performed at their home. In both this lawsuit and Judge Crispo's dispute, the homeowners asserted defects in the contractor's work and refused to pay for additional work. In both cases, the homeowners and contractors sought a speedy, low-cost, and binding resolution to their disputes; in this case because the contractor sought arbitration and in the Crispos' dispute because the contractor suggested the parties resolve their disagreements before the Contractors State License Board (CSLB). The statutory standard is not so high that disclosure is only triggered, as the majority suggests, when one could believe that the proposed arbitrator "developed a *categorical* bias against *all contractors*." (Maj. opn. *ante*, at pp. 2 & 9, italics added.) Instead, the similarities here

between the circumstances surrounding Judge Crispo's CSLB proceeding and this arbitration certainly could cause one to *question* Judge Crispo's ability to be impartial in the case before us.

Judge Crispo should have disclosed his case. While construction-contract disputes may be "mundane" (maj. opn. *ante*, at pp. 8 & 13) within the realm of litigation, they are not routine life events for most people. Judge Crispo's dispute is particularly salient because he specifically elected to participate in the ensuing disciplinary action against the contractor *as a party*. In that action, the administrative law judge even found it necessary and appropriate to rebuke Judge Crispo in the written award for attempting to introduce documents the contractor claimed not to have before seen, and then arguing in bad faith and without citation to authority, that although he was a party, he was exempt from discovery requirements. In short, in his dispute with his own contractor, Judge Crispo failed to disclose. The nature of Judge Crispo's participation in the disciplinary action as a party clearly could cause an objective, reasonable person (see *Haworth v. Superior Court* (2010) 50 Cal.4th 372, 385–386) to consider the question of bias.

Nor is the age of the CSLB proceeding as significant as the majority suggests. As Justice Werdegar explained in her dissent in *Haworth v. Superior Court*, *supra*, 50 Cal.4th at page 399, footnote 4, "the majority's reliance on the passage of time and the presumed effect of public censure [citation] is misplaced in light of the statutory standard. While one might reasonably hope that discipline for judicial misbehavior will, together with the passage of time, produce reform, one might equally well 'reasonably entertain a doubt' (. . . § 1281.9, subd. (a)) that personal biases

and their impact on one's behavior and thinking are so readily changed." Likewise, one could easily entertain a doubt that the passage of time would make any difference here, especially since work done on the home is inherently personal.

Jurors in civil cases are asked whether they or anyone close to them "has ever sued or been sued in any type of lawsuit." (Judicial Council Forms, form JURY-001, p. C-4, capitalization omitted.) For the same reason lawyers at trial are entitled to explore during voir dire whether prior involvement in litigation could bias a factfinder, arbitrating parties have a right to know about their prospective arbitrator's personal involvement in similar litigation so that they can make informed decisions when choosing a neutral. If Judge Crispo had been asked directly whether he ever had a dispute with a contractor over work performed at his residence that formed the basis of a disciplinary action in which he participated as a party, would his statutory and ethical obligations have permitted him to decline to answer the question? Clearly not. Yet, his failure to disclose in this case is the functional equivalent of such a nonresponse. That parties would never have the prescience to pose such a specific question to a prospective arbitrator is the very reason for requiring voluntary disclosure. Judge Crispo should have disclosed his dispute with the pool contractor upon his nomination to serve as arbitrator in this action to give the parties the informed opportunity to decide whether to choose a different arbitrator. (See, e.g., *Haworth v. Superior Court*, *supra*, 50 Cal.4th at p. 395 (dis. opn. of Werdegar, J.).) Failure to disclose is grounds for vacating the award. (§ 1286.2, subd. (a)(6)(A); see *Haworth*, at p. 395 (dis. opn. of Werdegar, J.).)

Contractual arbitration has long been a stalwart of California jurisprudence. (*Sheppard, Mullin, Richter & Hampton, LLP v. J-M Manufacturing Co., Inc.* (2018) 6 Cal.5th 59, 72.) Finality is a fundamental goal of contractual arbitration. (*Heimlich v. Shivji* (2019) 7 Cal.5th 350.) “An equally vital principle, however, is that with such limited judicial review the arbitration system must have—and must be seen to have—sufficient integrity that parties can be confident they will receive a fair hearing and an impartial decision from the arbitrator.” (*Haworth v. Superior Court, supra*, 50 Cal.4th at p. 395 (dis. opn. of Werdegarr, J.).) The disclosure requirements protect both actual neutrality and the *perception of neutrality*. (*Honeycutt v. JPMorgan Chase Bank, N.A.* (2018) 25 Cal.App.5th 909, 931.) Without public confidence in the fairness of the proceedings, the incentive to arbitrate is diminished, undermining the very basis for its existence. Certainly, vacating an award for the arbitrator’s failure to disclose a matter is unfortunate. But dispute resolution is a business and the “public deserves and needs to know that the system of private justice that has taken over large portions of California law produces fair and just results from neutral decision makers.” (*Ibid.*) To condone the failure of disclosure here is to elevate finality over the system’s integrity and to weaken the foundation of the system of arbitration upon which Californians have come to rely. (See, e.g., *Haworth*, at p. 395 (dis. opn. of Werdegarr, J.).)

DHANIDINA, J.